

CALIFORNIA'S FAIR SHARE OF FEDERAL FUNDS

California has increasingly become a donor State, meaning that California taxpayers contribute far more to the federal budget than California receives in federal services. Actions at the federal level have resulted in the State paying for increased costs or expansion of federal-State-local programs, as well as for significant costs for new programs. In recent years, the tax payments that Californians have made to the federal government have significantly exceeded the amount of federal expenditures made in the State. Although there are differing estimates of the magnitude of the gap, the non-partisan California Institute for Federal Policy Research estimates the figure for federal fiscal year 2002 at \$58 billion. Additionally, the federal government is increasingly assessing sanctions against California for not meeting rigid administrative requirements. As such, the Governor's Budget assumes that California will be successful in securing a minimum of \$350 million to offset General Fund costs in the 2004-05 fiscal year.

Below are various programmatic examples of inequities in federal funding policies:

- Homeland Security
- Transportation
- Medi-Cal
- Incarceration of Undocumented Felons
- Child Care Funds
- Education Tax Credit

